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India

Coffee

Semi-Annual

2004

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Report Highlights:

While maintaining the MY 2004/05 coffee production forecast at 290,000 tons (4.8 million bags), the share of Arabica has increased, offset by lower Robusta production. For the first time, Starbucks has contracted to buy Indian coffee.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Semi-Annual Report
New Delhi [IN1]
[IN]

Production

Although Post continues to forecast MY 2004/05 (Oct-Sep) total coffee production at 290,000 tons (4.8 million bags of 60 kilograms), the share of Arabica is now forecast higher at 115,000 tons (1.9 million bags), versus lower Robusta production, currently forecast at 175,000 tons (2.9 million bags). Based on Indian Coffee Board data, the 2003/04 estimate has been revised upward to 270,500 metric tons (4.5 million bags), comprising 101,950 metric tons (1.7 million bags) of Arabica and 168,550 metric tons (2.8 million bags) of Robusta. The PS&D Table has been revised to reflect this revision.

Trade

Coffee exports in MY 2003/04 are now estimated higher at 226,341 metric tons following increased exports in the second half of the MY, and are forecast at the same level in MY 2004/05. CY 2003 coffee exports were revised marginally upward to 222,425 tons.

Marketing

Starbucks has reportedly entered into an agreement with an Indian coffee company, Tata Coffee, for sourcing coffee beans from India. This is the first time that Starbucks is buying coffee from India. Hamid Ashraff, Managing Director, Tata Coffee was quoted as saying "Starbucks deal with Tata Coffee is yet another significant milestone to show how Indian coffee is gaining acceptance in the international market." India's share of world coffee production and exports is around 4 percent.

Policy

India is back on the Executive Board of the International Coffee Organization. According to the Chairman, India Coffee Board, "This will provide India with an opportunity to have a say on important decisions taken by the organization." She further added that the United States' decision to join the ICO will give a new dimension to the initiative of the organization for resolving the ongoing coffee crisis.

Table 1: Commodity, Coffee, Green, PSD

PSD Table							
Country	India						
Commodity	Coffee, Green						
		2003		2004		2005	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Planted	349	349	355	355	355	355	(1000 HA)
Area Harvested	323	323	320	328	320	320	(1000 HA)
Bearing Trees	555	555	550	550	550	550	(MILLION TREES)
Non-Bearing Trees	65	65	70	70	70	70	(MILLION TREES)
TOTAL Tree Population	620	620	620	620	620	620	(MILLION TREES)
Beginning Stocks	831	831	695	748	588	294	(1000 60 KG BAGS)
Arabica Production	1702	1702	1667	1700	1750	1920	(1000 60 KG BAGS)
Robusta Production	2886	2886	2667	2800	3085	2920	(1000 60 KG BAGS)
Other Production	0	0	0	0	0	0	(1000 60 KG BAGS)
TOTAL Production	4588	4588	4334	4500	4835	4840	(1000 60 KG BAGS)
Bean Imports	0	51	0	0	0	0	(1000 60 KG BAGS)
Roast & Ground Imports	0	0	0	0	0	0	(1000 60 KG BAGS)
Soluble Imports	0	2	0	0	0	0	(1000 60 KG BAGS)
TOTAL Imports	0	53	0	0	0	0	(1000 60 KG BAGS)
TOTAL SUPPLY	5419	5472	5029	5248	5423	5134	(1000 60 KG BAGS)
Bean Exports	2852	2852	2500	3013	2929	3000	(1000 60 KG BAGS)
Roast & Ground Exports	1	1	1	1	1	1	(1000 60 KG BAGS)
Soluble Exports	700	700	750	750	750	750	(1000 60 KG BAGS)
TOTAL Exports	3553	3553	3251	3764	3680	3751	(1000 60 KG BAGS)
Rst,Ground Dom. Consum	986	986	1000	1000	1005	1005	(1000 60 KG BAGS)
Soluble Dom. Consum.	185	185	190	190	195	195	(1000 60 KG BAGS)
TOTAL Dom. Consumption	1171	1171	1190	1190	1200	1200	(1000 60 KG BAGS)
Ending Stocks	695	748	588	294	543	183	(1000 60 KG BAGS)
TOTAL DISTRIBUTION	5419	5472	5029	5248	5423	5134	(1000 60 KG BAGS)